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**Before the State of South Carolina
Department of Insurance**

In the matter of:

Arthur C. Carmichael, Jr./Valley Global
Insurance Brokers, LLC.
1585 Grant Road
Los Altos, CA 94024.

SCDOI File Number 123768

**Consent Order
Imposing Administrative Penalty As
Precondition to Remain Licensed**

This matter comes before me pursuant to an agreement entered into, between the State of South Carolina Department of Insurance and the above named respondent, a licensed non-resident insurance producer.

On or about November 9, 2004, the Illinois Department of Financial and Professional Regulation/Division of Insurance informed our Department of disciplinary actions taken against Mr. Carmichael and Valley Global Insurance Brokerage, LLC, of Los Altos, California and San Jose, California respectively, effective October 26, 2004. The respondent had failed to notify the South Carolina Department of Insurance as required by Law.

The Department then reminded Mr. Carmichael that such type of disclosure had to be made within 30 days from the date an action was taken. The respondent acknowledges his failure to timely report to the Department this violation and understands this could ultimately lead to the revocation of his license to transact the business of Insurance as a South Carolina non-resident producer, following a public hearing at the Administrative Law Court. However, the parties have agreed that, rather than to proceed toward a formal public hearing, they would submit the entire matter to me, along with their specific recommendations, so that I could form my summary decision based solely on the record. The mutual recommendation was that the Department would allow Mr. Carmichael and Valley Global Insurance Brokerage, LLC., to remain licensed, upon the submission of an administrative penalty in the amount of \$2,000.00 dollars.

Section 38-43-130(A) of the South Carolina Code grants the Director of Insurance the authority to revoke or refuse to issue a license, for violating any of South Carolina's Insurance Laws or regulations. Specifically, § 38-43-247 (A)(Supp. 2004) mandates that..."a producer shall report to the Director or his designee any administrative action taken against the producer in another jurisdiction or by another governmental agency in this State, within 30 days of the final disposition of the matter. This report shall include a copy of the order, or other relevant legal documents." Code section 38-43-130 also allows the Director to impose a financial penalty in lieu of denial, revocation or suspension of a license. Therefore, under the discretionary authority provided to me within S.C. Code Ann. § 38-43-130 (Supp. 2004), and after carefully considering the recommendation of the parties, I hereby conclude that the appropriate sanction against Arthur Carmichael /Valley Global Insurance Brokerage, LLC., is an administrative penalty in the amount of \$2,000.00 dollars.

The parties have reached this agreement through negotiation and compromise and in consideration of Mr. Carmichael's assurances that in the future he will comply with the State's Insurance Laws. It is further agreed by the parties that the total amount of the administrative penalty must, pursuant to the provisions of S.C. Code Ann. § 38-43-130 (Supp. 2004), be paid within ten (10) days from the date of receipt of this consent order. If that total penalty amount is not properly paid on or before that date, the respondent's license as a non-resident insurance producer will be irrevocably denied without further administrative proceedings. The parties expressly agree and understand Mr. Carmichael's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter.

By his signature upon this consent order Arthur C. Carmichael, Jr. and Valley Global Insurance Brokerage, LLC acknowledge that they understand this consent order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2004).

Nothing contained within this administrative disciplinary order should be construed to limit, or to deprive any person of any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement officer or judicial officer. Nothing contained within this administrative order should be construed to limit the statutory duty of the Director, exercised either directly or through the Department, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report." S.C. Code Ann. § 38-3-110(3) (Supp. 2004).

It is, therefore, ordered that, within ten days from receipt of this order, Arthur C. Carmichael, Jr./ Valley Global Insurance Brokerage, LLC shall pay through the Department an administrative penalty in the total amount of \$2,000.00.

It is further ordered that a copy of this consent order be immediately transmitted to the National Association of Insurance Commissioners for its distribution to its member states and a copy be placed in the respondents' licensing file.

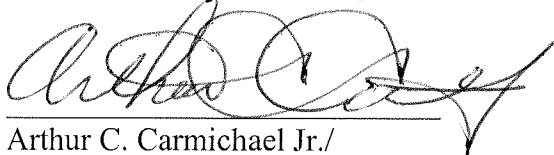
This order takes effect upon the date of my signature below.



Eleanor Kitzman
Director of Insurance

Nov 14, 2005, at
Columbia, South Carolina

I CONSENT TO THE ABOVE:



Arthur C. Carmichael Jr./
Valley Global Insurance Brokerage, LLC.

Title: *Managing Director*

Address: *84 So First St*
SAN JOSE, CA, 95113

Dated this 14 day of *Oct*, 2005.